GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:3695
ANSWERED ON:18.08.2005
SETTING UP OF REFINERIES BY ONGC
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Oil and Natural Gas Corporation (ONGC) proposes to set up refineries in the country;

(b) if so, the locations identified for this purpose;

(c) the amount allocated for each refinery and the time by which the work on these refineries is likely to be started;

(d) whether any survey was conducted before the decision was taken to set up these refineries; and

(e) if so, the details thereof?

Answer

MINISTER OF PETROLEUM & NATURAL GAS AND PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) & (b) : At present Oil & Natural Gas Corporation Limited (ONGC) has indicated its interest in setting up a refinery in Rajasthan and an export-oriented refinery in Kakinada. This could be done through, or in association with Mangalore Refinery Petrochemicals Limited (MRPL), which is a wholly owned subsidiary of ONGC.

(c): These projects are at a very initial phase of appraisal.

(d) & (e): Based on oil discoveries made by the Cairn Energy consortium in Barmer district of Rajasthan, the ONGC / MRPL have expressed interest in setting up a refinery with a capacity of 7.5 Million Metric Tonne per annum. Two other Oil Public Sector Undertakings, namely, Indian Oil Corporation Limited (IOC) and Hindustan Petroleum Corporation Limited (HPCL), have also expressed interest in setting up a well-head refinery at the site in Rajasthan. These companies have approached Government to designate them as the Government nominee for purchase of crude oil under the Production Sharing Contract (PSC) for the block RJ-ON-90/1.

Any investment plan for such a refinery can only be firmed up after Government have designated their nominee for the purchase of crude oil under the PSC.

As a part of the MOUs signed between ONGC, Kakinada Seaports Limited (KSL) and Infrastructure Leasing and Financial Services (IL&FS) for the development of a port-based special economic zone at Kakinada, adjacent to the Kakinada deepwater port, ONGC propose to make investments in an export-oriented refinery project. ONGC have been advised to explore the feasibility of setting up such a refinery through its subsidiary MRPL.